

# State of Iowa - Return on Investment Program / IT Project Evaluation

## SECTION 1: PROPOSAL

Tracking Number (For Project Office Use)

**032**

Project Name: Blind Client Technology Date: 12-7-2000

Agency Point of Contact for Project: R. Creig Slayton, Director

Agency Point of Contact Phone Number / E-mail: 281-1334 Slayton.Creig@blind.state.ia.us

Executive Sponsor (Agency Director or Designee) Signature: \_\_\_\_\_

Is this project necessary for compliance with a Federal standard, initiative, or statute? (Rehabilitation Act of 1973, as amended; see attachment) ☒ Yes ☐ No

Is this project required by State statute? (Administrative rule 111-10.5(1); see attachment) ☒ Yes ☐ No

Does this project meet a health, safety or security requirement? ☐ Yes ☒ No

Is this project necessary for compliance with an enterprise technology standard? ☐ Yes ☒ No

Does this project contribute to meeting a strategic goal of government? (See Proposal Summary) ☒ Yes ☐ No

Is this a "research and development" project? ☐ Yes ☒ No

### PROPOSAL SUMMARY:

During the last few years the Department for the Blind has experienced a considerable increase in the number of blind persons requiring technology to complete vocational training programs or to accomplish tasks related to employment. The majority of this technology is related to the increased use of computers, both in educational programs and on the job. If a blind person has some vision, it may be possible for him or her to use a screen enlargement software program costing a few hundred dollars to access the computer screen. For many other blind persons voice synthesizers and special screen reading software programs will meet their needs at a cost of \$ 1,800 to \$ 2,000. When speed and accuracy are essential, a blind individual uses a refreshable Braille display costing up to \$ 14,000 to read the screen. Computerized note takers costing between \$ 4,000 and \$ 6,000 may also be required, depending on the needs of the student or the requirements of the job. The equipment the Department would purchase is specific to the needs of blind persons in seeking and retaining private employment. Consequently, this equipment becomes the property of the blind person.

The federal statute governing the Iowa Department for the Blind is the Rehabilitation Act of 1973, as amended. Vocational Rehabilitation is an eligibility program, not an entitlement program. Under the Rehabilitation Act, rehabilitation technology must be considered/provided to determine eligibility [section 7 (2)(c)]. Once eligibility is established, rehabilitation technology [section 7(30)] is a mandated component of the Individualized Plan for Employment [102.(b)(3)]. The Individualized Plan for Employment (IPE) may be in effect for several years as the blind individual pursues post- secondary

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education, internships, student teaching, apprenticeships, or work experience and ultimately stabilized employment. As the individual changes environments (i.e., school to work) their specific needs for assistive technology will also change and it is the responsibility of the Iowa Department for the Blind to anticipate, plan for, and meet those needs. Rehabilitation technology is further addressed in the Department's administrative rule 111-10.5(1). This proposal is in line with the Governor's leadership agenda to **enhance the quality of life for all lowans and grow, retain, and attract a skilled workforce.**

## **SECTION 2: PROJECT PLAN**

A vocational rehabilitation counselor must follow several policies and procedures in determining whether and what technology should be purchased for a VR client. Most of these are mandated by the Rehabilitation Services Administration, our federal partner, to ensure that federal funds are expended appropriately. The purpose for which the technology will be used, the type of technology to be purchased, and the federal policy of Informed Client Choice must all enter into the decision. Since the funds are received for vocational rehabilitation, technology can only be purchased for client training and employment purposes. The counselor and client, often in tandem with the Department's Assistive Technology and Evaluation Specialists, determine the client's skill level, training needs, and the technology that best meets the client's needs. Visits to a training or job site may also be necessary to determine compatibility with technology already in place. In compliance with the federal policy of Informed Client Choice, the client must play an integral part in selecting the technology and the vendor from which it is purchased. Factors like location and reliability are more important than the lowest price, especially when there are so few vendors of assistive technology from which to choose. Because of the specialized nature of the equipment, our specialists are usually responsible for setting up or installing the technology, fine tuning it to make it compatible with any existing system. The client then signs an equipment acceptance form, certifying that the equipment has been received and that it is in satisfactory working order. At that point, ownership is transferred to the client. The counselor and technology specialists follow up regularly to ensure that the equipment is functioning properly and continues to meet the client's needs. The opportunity cost involved in this project involves the loss of \$ 92,371 for want of the \$ 25,000 required for matching funds.

### **SECTION 3: Return On Investment (ROI) Financial Analysis**

#### **Project Budget:**

Provide the estimated project cost by expense category.

|                             |                         |
|-----------------------------|-------------------------|
| Personnel .....             | \$ _____                |
| Software .....              | \$ _____                |
| Hardware .....              | \$ <u>117,371</u> _____ |
| Training .....              | \$ _____                |
| Facilities .....            | \$ _____                |
| Professional Services ..... | \$ _____                |
| Supplies .....              | \$ _____                |
| Other (Specify) .....       | \$ _____                |
| Total .....                 | \$ <u>117,371</u> _____ |

#### **Project Funding:**

Provide the estimated project cost by funding source.

|                             |                         |                             |
|-----------------------------|-------------------------|-----------------------------|
| State Funds .....           | \$ <u>25,000</u> .....  | <u>21.3</u> % of total cost |
| Federal Funds .....         | \$ <u>92,371</u> .....  | <u>78.7</u> % of total cost |
| Local Gov. Funds .....      | \$ _____ .....          | _____ % of total cost       |
| Private Funds .....         | \$ _____ .....          | _____ % of total cost       |
| Other Funds (Specify) ..... | \$ _____ .....          | _____ % of total cost       |
| Total Cost: .....           | \$ <u>117,371</u> ..... | <u>100</u> % of total cost  |

Provide the estimated project cost by fiscal year.

How much of the cost would be incurred by your agency from normal operating budgets (staff, equipment, etc.)? .....\$ 25,000 21.3%

How much of the cost would be paid by requested State IT project funds? \$ 0 0%

Identify, list, and quantify all additional annual maintenance expenses (State \$\$s) related to the project.

None.

Identify, list, and quantify any other future additional expenses (State \$\$s) related to the project.

None.

## ROI Financial Worksheet Directions (Attach Written Detail as Requested):

**Annual Pre-Project Cost** -- Quantify, in written detail, all actual State government direct and indirect costs (personnel, support, equipment, etc.) associated with the activity, system or process prior to project implementation. This section should be completed only if State government costs are expected to be reduced as a result of project implementation.

**Annual Post-Project Cost** -- Quantify, in written detail, all estimated State government direct and indirect costs associated with activity, system or process after project implementation. This section should be completed only if State government costs are expected to be reduced as a result of project implementation.

**State Government Benefit** -- Subtract the total "Annual Post-Project Cost" from the total "Annual Pre-Project Cost." This section should be completed only if State government costs are expected to be reduced as a result of project implementation.

**Citizen Benefit** -- Quantify, in written detail, the estimated annual value of the project to Iowa citizens. This includes the "hard cost" value of avoiding expenses (hidden taxes) related to conducting business with State government. These expenses may be of a personal or business nature. They could be related to transportation, the time expended on or waiting for the manual processing of governmental paperwork such as licenses or applications, taking time off work, mailing, or other similar expenses.

**Opportunity Value/Risk or Loss Avoidance Benefit** -- Quantify, in written detail, the estimated annual benefit to Iowa citizens or to State government. This could include such items as qualifying for additional matching funds, avoiding the loss of matching funds, avoiding program penalties/sanctions or interest charges, avoiding risks to health/security/safety, avoiding the consequences of not complying with State or federal laws, providing enhanced services, avoiding the consequences of not complying with enterprise technology standards, etc.

The opportunity cost involved in this project involves the loss of \$ 92,371 for want of the \$ 25,000 required for matching funds.

|                     |           |                      |
|---------------------|-----------|----------------------|
| State Funds .....   | \$25,000  | 21.3 % of total cost |
| Federal Funds ..... | \$ 92,371 | 78.7 % of total cost |

**Total Annual Project Benefit** -- Add the values of all annual benefit categories.

**Total Annual Project Cost** -- Quantify, in written detail, the estimated annual new cost necessary to implement and maintain the project including consulting fees, equipment retirement, ongoing expenses (i.e. labor, etc.), other technology (hardware, software and development), and any other specifically identifiable project related expense. In general, to calculate the annual hardware cost, divide the hardware and associated costs by three (3), the useful life. In general, to calculate the annual software cost, divide the software and associated costs by four (4), the useful life. This may require assigning consulting fees to hardware cost or to software cost. A different useful life may be used if it can be documented.

**Benefit / Cost Ratio** -- Divide the "Total Annual Project Benefit" by the "Total Annual Project Cost." If the resulting figure is greater than one (1.00), then the annual project benefits exceed the annual project cost. If the resulting figure is less than one (1.00), then the annual project benefits are less than the annual project cost.

**ROI** -- Subtract the "Total Annual Project Cost" from the "Total Annual Project Benefit" and divide by the amount of the requested State IT project funds.

**Benefits Not Cost Related or Quantifiable** -- List the project benefits and articulate, in written detail, why they (IT innovation, unique system application, utilization of new technology, hidden taxes, improving the quality of life, reducing the government hassle factor, meeting a strategic goal, etc.) are not cost related or quantifiable. Rate the importance of these benefits on a "1 – 10" basis, with "10" being of highest importance. Check the "Benefits Not Cost Related or Quantifiable" box in the applicable row.

## ROI Financial Worksheet

### Annual Pre-Project Cost - How You Perform The Function(s) Now

|  |  |
|--|--|
| FTE Cost (salary plus benefits):   |  |
| Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):                                |  |
| Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.): |  |
| <b>A. Total Annual Pre-Project Cost:</b>   |  |

### Annual Post-Project Cost – How You Propose to Perform the Function(s)

|  |  |
|--|--|
| FTE Cost:  |  |
| Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):                                |  |
| Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.): |  |
| <b>B. Total Annual Post-Project Cost:</b>  |  |
| <b>State Government Benefit ( = A-B ):</b>   |  |

### Annual Benefit Summary

|  |               |
|--|---------------|
| State Government Benefit:                                |               |
| Citizen Benefit (including quantifiable “hidden taxes”): |               |
| Opportunity Value and Risk/Loss Avoidance Benefit:       | <b>92,371</b> |
| <b>C. Total Annual Project Benefit:</b>                  | <b>92,371</b> |
| <b>D. Total Annual Project Cost:</b>                     | <b>25,000</b> |
| <b>Benefit / Cost Ratio (C / D):</b>                     | <b>3.7</b>    |
| <b>ROI (C – D / Requested State IT Project Funds):</b>   | <b>270%</b>   |

**☒ Benefits Not Cost Related or Quantifiable (including non-quantifiable “hidden taxes”)**

The benefits include:

As indicated above, the purchase of technology necessary for blind persons under this proposal is with respect to their efforts to find and retain employment. A large percentage of those for whom this technology is essential are recipients of Social Security Disability Income until they are placed in competitive employment, after which time they become taxpayers. The amount of taxes which would be paid depends on the person's wage rates and his or her choice of occupation., among other factors. For these reasons it is difficult to quantify the benefits of this proposal. The benefits, however, include:

1. Society can make effective use of the skills and abilities of the blind person as a contributing member (ranking # 10).
2. The blind person's quality of life is enhanced as a productive individual. (ranking # 9).
3. The person becomes a taxpayer rather than a tax consumer. (ranking # 8).
4. Society can make effective use of the skills and abilities of the blind person as a contributing member (ranking # 10).
5. The blind person's quality of life is enhanced as a productive individual (ranking # 9).
6. The person becomes a taxpayer rather than a tax consumer (ranking # 8).